

Message Text

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21

ACTION AF-06

INFO OCT-01 EUR-12 EA-06 ISO-00 ARA-06 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 EB-07 COME-00 TRSE-00

CIEP-01 OMB-01 CG-00 DOTE-00 FMC-01 /090 W

----- 114646

R 210737Z APR 75

FM AMEMBASSY MOGADISCIO

TO SECSTATE WASHDC 2829

INFO AMEMBASSY PARIS

AMEMBASSY NAIROBI

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L MOGADISCIO 0584

E.O. 11652: GDS

TAGS: EWWT, PFOR, SO, US

SUBJECT: CANCELLATION OF SOMALI FLAG SHIPPING TO NORTH VIETNAM
AND CUBA

REF: A) MOGADISCIO 222 B) STATE 85069 C) MOGADISCIO 571 D) STATE
23202

1. I MET ON APRIL 19 WITH SOMALI SECSTATE FOR MARITIME OSMAN JAMA
ALI TO DISCUSS PROGRESS OF SOMALI GOVT DECISION TO CANCEL
REGISTRATION OF FOREIGN SHIPS UNDER SOMALI FLAG. JAMA REITERATED
REMARKS MADE EARLIER (REF A) AND SAID GSDR DECISION CANCELLING
CONTRACT WITH FRENCH FIRM SODERI (SOCIETE POUR LE DEVELOPMENT DES
RELATIONS INTERNATIONALES) WAS FINAL AND IRREVOCABLE. ALL THAT NOW
REMAINED WAS WORKING OUT DETAILS BETWEEN SODERI LAWYERS AND SOMALI
GOVT LAWYERS. HE SAID THIS WAS BEING DONE AT PRESENT TIME.

2. ACCORDING OSMAN JAMA, HE SENT LETTER TO SODERI ADVISING FIRM THAT
GSDR WAS CANCELLING CONTRACT BUT GSDR LAWYERS OBTAINED COPY AND
TOLD HIM CANCELLATION WAS NOT RPT NOT QUITE SO SIMPLE.

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3. OSMAN SAID THAT AT PRESENT TIME APPROXIMATELY 700 SOMALI-FLAG VESSELS WERE ON HIGH SEAS OR IN FOREIGN PORTS FROM ADEN TO SINGAPORE USING SOMALI FLAG OF CONVENIENCE. SODERI WAS LEGALLY OBLIGATED TO FIND ALTERNATE FLAG-OF-CONVENIENCE FOR THESE VESSELS OR FACE COURT ACTION BY OWNERS AS RESULT OF IMMOBILIZING THIS TONNAGE AT NEXT PORT OF ARRIVAL (VESSELS APPARENTLY CANNOT RPT CANNOT MOVE UNTIL NEW FLAG FOUND). CURRENT PROBLEM BETWEEN SODERI AND SOMALI GOVT LAWYERS IS TO PROCEED WITH ORDERLY CANCELLATION WHICH PROTECTS SODERI'S LEGAL POSIION AS WELL.

4. AGAIN OSMAN REFERRED TO FACT THAT SODERI HAD MADE QTE MANY MISTAKES UNQTE IN REGISTRATION OF FOREIGN-OWNED VESSELS UNDER SOMALI FLAG (I.E., REGISTRATION OF SHIPS BUILT MORE THAN THIRTY YEARS AGO) AND HE HINTED THAT SOMALI LAWYERS MIGHT HAVE ADDITIONAL GROUNDS FOR MORE ABRUPTLY VOIDING CONTRACT UNLESS THEY SATISFIED THAT SODERI ATTEMPTING TO CANCEL REGISTRATIONS AS QUICKLY AS POSSIBLE

5. ACCORDING TO SOSMAN JAMA, INTENT OF GSDR IN CANCELLING SODERI CONTRACT IS TO ELIMINATE SOMALIA AS FLAG-OF-CONVENIENCE STATE. AFTER SODERI CANCELLATION TAKES EFFECT, ONLY SOMALI GOVT-OWNED VESSELS WILL FLY SOMALI FLAG. SUCH ACTION IS OF COURSE WHOLLY CONSISTENT WITH SOMALI INTERNAL ECONOMIC POLICY WHICH IS TO TAKE FIRM CONTROL OF ALL NATIONAL ASSETS AND REDUCE FOREIGN ADVANTAGES TO MINIMUM.

6. OSMAN IS UNDER IMPRESSION THAT MOST FOREIGN VESSELS USING SOMALI FLAG-OF-CONVENIENCE WERE EUROPEAN-OWNED AND HE DIDN'T SEEM TO BE AWARE OF PRC USE OF SOMALI-FLAG IN NORTH VIETNAM TRADE. SINCE OSMAN IS POLITICALLY ASTUTE, SOVIET-EDUCATED TECHNOCRAT (WE TALKED ALSO ABOUT POLITICAL PROBLEMS IN INDOCHINA AND MIDDLE EAST), I ASSUME THAT HAD HE BEEN AWARE OF PRC USE OF SOMALI-FLAG VESSELS, HE WOULD HAVE RAISED IT. IN ANY CASE, IT SEEMED CLEAR THAT HE WAS MORE INTERESTED IN FUNDAMENTAL ISSUE, WHICH IS TO END FOREIGN USE OF SOMALI ASSET, NAMELY SOMALI FLAG.

7. OSMAN PROMISED TO LOOK INTO PROGRESS OF NEGOTIATIONS BETWEEN GSDR LAWYERS AND SODERI AND LET ME KNOW HOW SOON CANCELLATIONS WOULD BE FINISHED. HE THOUGHT IT MIGHT BE SOON BUT WASN'T CERTAIN. HE WAS ADAMANT ON ONE POINT -- THAN CANCELLATION DECISION HAD BEEN MADE CONFIDENTIAL

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BY SRC IN 1974 AND THAT IMPLEMENTATION OF THAT DECISION NOW GOING AHEAD.

8. FOR DEPARTMENT AND HONG KONG: IT WOULD BE HELPFUL TO KNOW TO WHAT EXTENT CANCELLATION OF SOMALI FLAG-OF-CONVENIENCE, PARTICULARLY AS IT APPLIES TO PRC-OWNED SHIPS, DISADVANTAGES PEKING OR CONTRIBUZES IN ANY WAY TO USSR ROWE IN NORTH VIETNAM. PEKING AND MOSCOW ARE COMPETITORS IN SOMALIA, BUT SOVIETS CLEARLY HAVE UPPER HAND IN

ALL RESPECTS.
HAMRICK

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